

Other Items for Consideration

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Cash Change Funds

The library board may permit any of its officers or employees having a duty to collect cash revenues to establish a “cash change fund”. Such a fund must be established by a warrant drawn on the appropriate fund in favor of the officer or employee, in an amount determined by the library board, without need for appropriation to be made for it.

The officer or employee who establishes a cash change fund shall convert the warrant to cash, shall use it to make change when collecting cash revenues, and shall account for it in the same manner as is required for other funds of the library.

The library board shall require the entire cash change fund to be returned to the appropriate fund whenever there is a change in the custodian of the fund or if the fund is no longer needed. [IC 36-1-8-2]

Other Items for Consideration

Petty Cash Funds

A "Petty Cash Fund" may be established, for the purpose of paying small or emergency items of operating expense. A receipt must document each disbursement made from the fund.

Periodically a voucher must be filed by the custodian of the fund to reimburse the fund for disbursements made. However, no reimbursement can be made unless the original receipts totaling the disbursements claimed are attached to the petty cash voucher.

Reimbursement shall be approved and made in the same manner as required for other disbursements for the library. [IC 36-1-8-3]

Other Items for Consideration

Petty Cash Funds (continued)

See the Library Manual (Chapter 3) for more petty cash accounting procedures.

Other Items for Consideration

Credit Cards

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.

Other Items for Consideration

Credit Cards (continued)

4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

Other Items for Consideration

Credit Cards (continued)

7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

Other Items for Consideration

Purchase of Land

IC 36-1-10.5-1(b)(3) states that this chapter does not apply to the purchase of library land or structures under IC 36-12.

We recommend, at a minimum, that a library obtain an appraisal or check the property's assessed valuation to ensure a gross overpayment is not taking place.

IC 36-1-10.5-1(b)(3) does not preclude a library from following the provisions of the chapter if it so chooses.